

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
1998 Biennial Regulatory Review -- Review of)	IB Docket No. 98-96
Accounts Settlement in the Maritime Mobile)	
and Maritime Mobile-Satellite Radio Services)	
and Withdrawal of the Commission as an)	
Accounting Authority in the Maritime Mobile)	
and Maritime Mobile-Satellite Radio Services)	

COMMENTS OF INMARSAT

Inmarsat Inc. (“Inmarsat”) hereby responds to the Federal Communications Commission’s Second Further Notice of Proposed Rulemaking proposing to transition the functions and duties performed by the Commission as an accounting authority to private accounting authorities.¹ Inmarsat generally supports the Commission’s proposal to exit the accounting authority business, as there are ample private accounting authorities available to settle accounts in the maritime mobile, maritime satellite, aeronautical, and handled terminal radio services, and transactions in these services increasingly are being settled without the use of an accounting authority. However, to effect a smooth transition, the Commission should implement a robust communications effort surrounding the change, and it should decline to impose new restrictions or obligations on the commercial entities continuing to function as accounting authorities.

Inmarsat is the leader in global mobile satellite communications. Since its founding as an intergovernmental organization created by the International Maritime Organization to establish a

¹ 1998 Biennial Regulatory Review -- Review of Accounts Settlement in the Maritime Mobile and Maritime Mobile-Satellite Radio Services and Withdrawal of the Commission as an Accounting Authority in the Maritime Mobile and Maritime Mobile-Satellite Radio Services, *Second Further Notice of Proposed Rulemaking*, 31 FCC Rcd 13785 (2016) (*Second Further Notice*).

satellite communications network for the maritime community, Inmarsat has constantly been an innovator in mobile communications around the world, serving not just maritime, but also land-based and aviation users across the government and enterprise sectors. Inmarsat and its subsidiaries operate as private accounting authorities in multiple jurisdictions around the globe, including in the United States, where Inmarsat is designated accounting authority US09. As such, Inmarsat is very familiar with, and well-positioned to comment on, the subject matter of the *Second Further Notice*.

I. INMARSAT SUPPORTS THE COMMISSION’S PROPOSAL

Inmarsat supports the Commission’s proposal to cease functioning as an accounting authority, subject to a suitable transition plan. In the *Second Further Notice*, the Commission notes that “[s]ince 1999, the number of users relying on the Commission to provide accounting authority services has decreased.”² This is consistent with Inmarsat’s own observation that as technologies and business models have evolved, the need for government-run accounting authorities has declined. Indeed, while Inmarsat continues to operate as an active accounting authority, and users may find convenience in electing to use an accounting authority to settle accounts, most of Inmarsat’s current and next-generation communications systems, such as FleetBroadband and Fleet Xpress, can operate globally pursuant to direct contracts between users and service providers, without relying upon accounting authorities.

In explaining its proposal, the Commission notes its belief “that most maritime mobile satellite users will be able to accommodate this change, and that they will act promptly to select an alternative accounting authority.”³ Inmarsat agrees that there are sufficient private accounting authority options available to support the users currently relying on the Commission’s

² *Id.* at ¶ 9.

³ *Id.*

accounting authority services. For example, Inmarsat stands ready to accept new accounting authority registrations through its existing business processes. A user wanting to switch to Inmarsat for accounting authority services would first need to deregister with the Commission's US01 accounting authority, as each user can only have one accounting authority. Then the user could begin the process of registering with Inmarsat, which includes executing an accounting authority agreement and being input to Inmarsat's billing system, among other steps. Moreover, when registration is complete, Inmarsat would be able to settle accounts for other maritime mobile services, such as VHF and HF, in addition to maritime mobile satellite communications.

While Inmarsat supports the Commission transitioning to reliance upon private accounting authorities, it notes that the Commission has not proposed, and should not propose, any new obligations or operational restrictions on accounting authorities. Private accounting authorities are commercial entities in a competitive market, and as such, their business practices, including registration requirements and fee structure, may vary from company to company. The Commission's rules governing private accounting authorities already require that services be offered "to any member of the public making a reasonable request therefor, without undue discrimination against any customer or class of customer," and that "fees charged for providing such services shall be reasonable and non-discriminatory."⁴ These rules have been sufficient to ensure accounting authority services have been widely available at competitive rates. In relying upon market mechanisms to handle settlement of accounts, the Commission need not impose any new obligations or restrictions on the commercial entities taking up these activities. For example, many communications systems may not be able to support users designating accounting authorities on a per-call or per-message basis, as the accounting authority needs to be

⁴ 47 C.F.R. § 3.10(e).

associated with the user account in the service provider’s billing system prior to the call being initiated, and this would require an agreement in place between the user and the accounting authority. The Commission therefore should not require service providers and accounting authorities to permit users to designate an accounting authority on a per-call or per-message basis if their systems are not designed to accommodate these activities.

II. ROBUST COMMISSION OUTREACH WILL BE ESSENTIAL TO A SUCCESSFUL TRANSITION

The most critical element to an effective transition away from the accounting authority function will be a robust and coordinated Commission outreach campaign to notify users of their need to register with a new accounting authority. In the *Second Further Notice*, the Commission notes that it “possesses the ability to contact current users and thereby expedite their transition.”⁵ It also states that “during any transition period and subsequently, we intend to conduct outreach to make users aware of our decision and their options for ensuring that they continue to receive the services of an accounting authority,” and further that it will “notify users of GMDSS mobile satellite communications of [its] decision to withdraw as an accounting authority and of their need to select a new accounting authority.”⁶ Finally, the Commission seeks comment on notifying any users that relied upon its service as the accounting authority of last resort from the past seven years.⁷

Communication to all affected users will be key to the success of the Commission’s transition away from its accounting authority role. Inmarsat and other private accounting authorities will be ready to accommodate and serve these new users, but only if users are aware of the need to sign up with a private accounting authority—and the consequences if they fail to

⁵ *Id.* at ¶ 9.

⁶ *Id.* at ¶¶ 17-18.

⁷ *Id.* at ¶ 19.

do so—can the Commission expect a smooth transition with a minimum of disruption. Because of how critical this communication is, the Commission should have a robust program for reaching out to the widest population of potentially affected users as possible. At a minimum, the Commission should contact all current and former users in its database to inform them of the Commission’s decision to cease functioning as an accounting authority, the ramifications for the users, and the date by which the users must take action. The Commission should follow up with these users throughout the transition period, and ultimately should send a final announcement at the true end of life of this function.

The Commission should also work closely with various stakeholders in the maritime sector to ensure the widest possible audience for its messaging. For example, the Commission should work with the U.S. Coast Guard and other fleets to ensure consistent messaging to their vessels. For its part, Inmarsat is also willing to support the Commission’s communications effort. For example, when the rules and transition period are finalized, Inmarsat could send an enhanced group call (“EGC”) to all ocean regions notifying them of the Commission’s decision. This is similar to how Inmarsat notifies users when services go end-of-life, and this communications process could assist in promoting continuity of service. Inmarsat, of course, is also willing to work directly with users to help them begin the process of transitioning to a private accounting authority, as discussed above.

Because effective outreach will be the most important factor in determining the success of the accounting authority transition, the Commission needs to ensure that sufficient time and resources are dedicated to this effort. Although the Commission has proposed a one-year transition period in the *Second Further Notice*, it should not discount the possibility that more time will be required to ensure the message is widely received and acted upon.

III. THE COMMISSION NEED NOT IDENTIFY A NEW ACCOUNTING AUTHORITY OF LAST RESORT

The Commission also seeks comment on how best to transition away from its function as the “accounting authority of last resort,” and whether it needs to designate a special accounting authority of last resort specifically for Global Maritime Distress and Safety System (“GMDSS”) mobile satellite communications.⁸ Inmarsat supports the Commission’s tentative conclusion not to designate a new accounting authority of last resort, and instead to require all users to pre-subscribe to an accounting authority. Designating a new, private accounting authority of last resort could distort the functioning of the competitive maritime mobile satellite market. Additionally, because the traditional role of the accounting authority is to guarantee payment to service providers, designating a new accounting authority of last resort could require the commercial entity to take unforecastable losses from uncollectible charges.

Furthermore, no special steps need to be taken with respect to the GMDSS. Inmarsat is the only provider of GMDSS-approved satellite communications systems. As part of the company’s public service commitment, Inmarsat provides distress calling for free to all vessels, including those with no accounting authority designated, or which have been barred from the system for another reason. Therefore, there is no need for a special GMDSS accounting authority. Although, as the Commission notes, certain types of safety communications could be barred if a user has not registered with a valid accounting authority, this doesn’t call for the creation of a new special accounting authority for safety communications, instead it just further underscores the importance of the Commission’s outreach efforts to inform affected users of the need to subscribe to an accounting authority.

⁸ *Id.* at ¶¶ 14-19.

IV. CONCLUSION

Inmarsat appreciates this opportunity to comment on the Commission's proposal to cease functioning as an accounting authority in the maritime mobile and maritime satellite communications services. As explained above, Inmarsat and other private accounting authorities are able to take on the settlement of additional accounts necessitated by this Commission proposal according to their established business practices. However, the success of any Commission decision to transition away from its accounting authority function will be determined by the effectiveness of its outreach to potentially affected users. Because of Inmarsat's long-standing commitment to delivery of reliable and advanced maritime communications services, the company looks forward to collaborating with the Commission in this process.

Respectfully submitted,

/s/ M. Ethan Lucarelli

M. Ethan Lucarelli
Director, Regulatory and Public Policy
Inmarsat Inc.

Peter Broadhurst
Sr. Vice President, Safety and Security Services
Inmarsat Maritime

1101 Connecticut Avenue, NW
Suite 1200
Washington, D.C. 20036
(202) 248-5150

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